

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re	:	Chapter 11
	:	
W.R. Grace & Co., <i>et al.</i>	:	Case No. 01-01139 JKF
	:	
Debtors.	:	

**OBJECTIONS OF GOVERNMENT EMPLOYEES INSURANCE  
COMPANY, REPUBLIC INSURANCE COMPANY, SEATON INSURANCE  
COMPANY, AND ONEBEACON AMERICA INSURANCE COMPANY TO  
THE PLAN PROPONENTS' PHASE II COUNTER-DESIGNATIONS**

Pursuant to the Fourth Amended Case Management Order Related to the First Amended Joint Plan of Reorganization (D.I. 22819), Government Employees Insurance Company (“GEICO”), Republic Insurance Company n/k/a Starr Indemnity & Liability Company (“Republic”), Seaton Insurance Company (“Seaton”), and OneBeacon America Insurance Company (“OneBeacon”) (collectively, “Objectors”) hereby object to the Plan Proponents’ Phase II counter-designations, served on August 20, 2009.

Certain of the Plan Proponents’ proffered counter-designations, listed on the attached Exhibit A hereto, are irrelevant, and in some cases, hearsay as to Objectors.

Specifically, in certain instances, the Plan Proponents counter-designate testimony addressing the adequacy of the Trust Distribution Procedures (“TDPs”), but the issue underlying the testimony originally designated by the Certain Plan Objectors (including these Objectors) is the lack of clarity of the insurance neutrality language provided in the First Amended Joint Plan of Reorganization (D.I. 20872). As detailed in Phase I of the Confirmation Hearing, Certain Plan Objectors have not sought to join issue on the adequacy of the TDPs; to the contrary, Certain Plan Objectors have designated testimony

related to the TDPs only for the purpose of demonstrating a need for clear insurance neutrality language.

In addition, certain of Plan Proponents' counter-designations are proffered in response to designations by other plan objectors (e.g., the Libby Claimants) – or, in some cases, they are proffered in response to nothing at all – and therefore are not relevant to the plan objections raised by the Objectors, and are hearsay as to the Objectors.

Respectfully submitted,

Dated: August 24, 2009

/s/ David P. Primack

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Seaton Insurance Company, and  
OneBeacon America Insurance  
Company*

## **EXHIBIT A**

### Deposition of Peter Van N. Lockwood (May 1, 2009)

Page 79, line 13 to page 81, line 6 (improper counter-designation b/c it does not counter anything designated, hearsay)  
Page 194, line 24 to page 196, line 23 (improper counter-designation b/c it does not counter anything designated by CPO, hearsay as to CPO)  
Page 209, line 16 to page 213, line 21 (hearsay, best evidence, cumulative)  
Page 396, line 21 to page 398, line 23 (improper counter-designation b/c it does not counter anything designated by CPO, hearsay as to CPO, relevance as to CPO)  
Page 413, line 7 to page 416, line 24 (improper counter-designation b/c it does not counter anything designated by CPO, hearsay as to CPO, relevance as to CPO)

### Deposition of Jay Hughes (June 11, 2009)

Page 65, line 1 to page 66, line 12 (relevance as to CPO, hearsay)  
Page 76, line 1 to page 77, line 6 (improper counter-designation b/c it does not counter anything designated, relevance as to CPO, hearsay)  
Page 134, line 5 to page 136, line 13 (improper counter-designation b/c it does not counter anything designated, relevance as to CPO, hearsay)  
Page 151, line 7 to page 151, line 24 (improper counter-designation b/c it does not counter anything designated, relevance as to CPO, hearsay)  
Page 152, line 9 to page 153, line 2 (improper counter-designation b/c it does not counter anything designated, relevance as to CPO, hearsay)  
Page 154, line 10 to page 154, line 20 (improper counter-designation b/c it does not counter anything designated, relevance as to CPO, hearsay)  
Page 156, line 7 to page 158, line 1 (improper counter-designation b/c it does not counter anything designated, relevance as to CPO, hearsay)  
Page 162, line 15 to page 163, line 7 (improper counter-designation b/c it does not counter anything designated, relevance as to CPO, hearsay)  
Page 355, line 21 to page 356, line 18 (relevance, hearsay, legal opinion)

### Deposition of Elihu Inselbuch (June 12, 2009)

Page 196, line 23 to page 197, line 16 (hearsay, speculation)